

Subpart B—Housing Goals**§ 1282.11 General.**

This subpart establishes three housing goals for 2009 as required by section 1331(c) of the Safety and Soundness Act, requirements for measuring performance under the goals, and procedures for monitoring and enforcing the goals.

§ 1282.12 Low- and Moderate-Income Housing Goal.

(a) *Purpose of goal.* This annual goal for the purchase by each Enterprise of mortgages on housing for low- and moderate-income families (“the Low- and Moderate-Income Housing Goal”) is intended to achieve increased purchases by the Enterprises of such mortgages.

(b) *Factors.* In establishing the Low- and Moderate-Income Housing Goals for 2009, the Director considered the feasibility of the goals given the current market conditions as required by section 1331(c) of the Safety and Soundness Act.

(c) *Goals.* For the year 2009, the goal for each Enterprise’s purchases of mortgages on housing for low- and moderate-income families shall be 43 percent of the total number of dwelling units financed by that Enterprise’s mortgage purchases in 2009. In addition, as a Low- and Moderate-Income Housing Home Purchase Subgoal, 40 percent of the total number of home purchase mortgages in metropolitan areas financed by that Enterprise’s mortgage purchases shall be home purchase mortgages in metropolitan areas which count toward the Low- and Moderate-Income Housing Goal for 2009.

§ 1282.13 Central Cities, Rural Areas, and Other Underserved Areas Housing Goal.

(a) *Purpose of the goal.* This annual goal for the purchase by each Enterprise of mortgages on housing located in central cities, rural areas, and other underserved areas is intended to achieve increased purchases by the Enterprises of mortgages financing housing in areas that are underserved in terms of mortgage credit.

(b) *Factors.* In establishing the Central Cities, Rural Areas, and Other Un-

derserved Areas Goals for 2009, the Director considered the feasibility of the goals given the current market conditions as required by section 1331(c) of the Safety and Soundness Act.

(c) *Goals.* For the year 2009, the goal for each Enterprise’s purchases of mortgages on housing located in central cities, rural areas, and other underserved areas shall be 32 percent of the total number of dwelling units financed by that Enterprise’s mortgage purchases in 2009. In addition, as a Central Cities, Rural Areas, and Other Underserved Areas Home Purchase Subgoal, 30 percent of the total number of home purchase mortgages in metropolitan areas financed by that Enterprise’s mortgage purchases shall be home purchase mortgages in metropolitan areas which count toward the Central Cities, Rural Areas, and Other Underserved Areas Housing Goal for 2009.

(d) *Measuring performance.* The Enterprises shall determine on a mortgage-by-mortgage basis, through geocoding or any similarly accurate and reliable method, whether a mortgage finances one or more dwelling units located in a central city, rural area, or other underserved area.

§ 1282.14 Special Affordable Housing Goal.

(a) *Purpose of the goal.* This goal is intended to achieve increased purchases by the Enterprises of mortgages on rental and owner-occupied housing meeting the then-existing unaddressed needs of, and affordable to, low-income families in low-income areas and very low-income families.

(b) *Factors.* In establishing the Special Affordable Housing Goals for 2009, the Director considered the feasibility of the goals given the current market conditions as required by section 1331(c) of the Safety and Soundness Act.

(c) *Goals.* For the year 2009, the goal for each Enterprise’s purchases of mortgages on rental and owner-occupied housing meeting the then-existing, unaddressed needs of and affordable to low-income families in low-income areas and very low-income families shall be 18 percent of the total number of dwelling units financed by

that Enterprise's mortgage purchases in 2009. The goal for the year 2009 shall include mortgage purchases financing dwelling units in multifamily housing totaling not less than 1.0 percent of the annual average dollar volume of combined (single-family and multifamily) mortgages purchased by the respective Enterprise in the years 1999 through 2008. That is, this multifamily subgoal for 2009 is \$6.56 billion for Fannie Mae and \$4.60 billion for Freddie Mac. In addition, as a Special Affordable Housing Home Purchase Subgoal, 14 percent of the total number of home purchase mortgages in metropolitan areas financed by that Enterprise's mortgage purchases shall be home purchase mortgages in metropolitan areas which count toward the Special Affordable Housing Goal for 2009.

(d) *Counting of multifamily units*—(1) Dwelling units affordable to low-income families and financed by a particular purchase of a mortgage on multifamily housing shall count toward achievement of the Special Affordable Housing Goal where at least:

(i) 20 percent of the dwelling units in the particular multifamily property are affordable to especially low-income families; or

(ii) 40 percent of the dwelling units in the particular multifamily property are affordable to very low-income families.

(2) Where only some of the units financed by a purchase of a mortgage on multifamily housing count under the multifamily component of the goal, only a portion of the unpaid principal balance of the mortgage attributable to such units shall count toward the multifamily component. The portion of the mortgage counted under the multifamily requirement shall be equal to the ratio of the total units that count to the total number of units in the mortgaged property.

(e) *Full Credit Activities*—(1) For purposes of this paragraph (e), full credit means that each unit financed by a mortgage purchased by an Enterprise and meeting the requirements of this section shall count toward achievement of the Special Affordable Housing Goal for that Enterprise.

(2) The following mortgages meet the requirements of paragraph (e)(3) of this

section: mortgages insured under HUD's Home Equity Conversion Mortgage ("HECM") Insurance Program, 12 U.S.C. 1715z–20; mortgages guaranteed under the Rural Housing Service's Single Family Housing Guaranteed Loan Program, 42 U.S.C. 1472; mortgages on properties on Tribal lands insured under FHA's Section 248 program, 12 U.S.C. 1715z–13, HUD's Section 184 program, 12 U.S.C. 1515z–13a, or Title VI of the Native American Housing Assistance and Self-Determination Act of 1996, 25 U.S.C. 4191 through 4195.

(3) FHFA will give full credit toward achievement of the Special Affordable Housing Goal for the purchase or securitization of Federally insured or guaranteed mortgages if such mortgages cannot be readily securitized through the Government National Mortgage Association or any other Federal Agency, and participation of the Enterprise substantially enhances the affordability of the housing subject to such mortgages, provided the Enterprise submits documentation to FHFA that supports eligibility under this paragraph for FHFA's approval.

(4)(i) FHFA will give full credit toward achievement of the Special Affordable Housing Goal for the purchase or refinancing of existing seasoned portfolios of loans if the seller is engaged in a specific program to use the proceeds of such sales to originate additional loans that meet such goal, and such purchases or refinancings support additional lending for housing that otherwise qualifies under such goal to be considered for purposes of such goal. For purposes of determining whether a seller meets the requirement in this paragraph (e)(4), a seller must currently operate on its own or actively participate in an on-going, discernible, active, and verifiable program directly targeted at the origination of new mortgage loans that qualify under the Special Affordable Housing Goal.

(ii) A seller's activities must evidence a current intention or plan to reinvest the proceeds of the sale into mortgages qualifying under the Special Affordable Housing Goal, with a current commitment of resources on the part of the seller for this purpose.

(iii) A seller's actions must evidence willingness to buy qualifying loans

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when these loans become available in the market as part of active, on-going, sustainable efforts to ensure that additional loans that meet the goal are originated.

(iv) Actively participating in such a program includes purchasing qualifying loans from a correspondent originator, including a lender or qualified housing group, that operates an on-going program resulting in the origination of loans that meet the requirements of the goal, has a history of delivering, and currently delivers qualifying loans to the seller.

(v) The Enterprise must verify and monitor that the seller meets the requirements in paragraphs (e)(4)(i) through (e)(4)(iv) of this section and develop any necessary mechanisms to ensure compliance with the requirements, except as provided in paragraphs (e)(4)(vi) and (vii) of this section.

(vi) Where a seller's primary business is originating mortgages on housing that qualifies under this Special Affordable Housing Goal, such seller is presumed to meet the requirements in paragraphs (e)(4)(i) through (e)(4)(iv) of this section. Sellers that are institutions that are:

(A) Regularly in the business of mortgage lending;

(B) Depository institutions insured under the Deposit Insurance Fund; and

(C) Subject to, and have received at least a satisfactory performance evaluation rating for:

(1) At least the two most recent consecutive examinations under the Community Reinvestment Act, if the lending institutions have total assets in excess of \$250 million; or

(2) The most recent examination under the Community Reinvestment Act if the lending institutions which have total assets no more than \$250 million are identified as sellers that are presumed to have a primary business of originating mortgages on housing that qualifies under this Special Affordable Housing Goal and, therefore, are presumed to meet the requirements in paragraphs (e)(4)(i) through (e)(4)(iv) of this section.

(vii) Classes of institutions or organizations that are presumed to have as their primary business originating

mortgages on housing that qualifies under this Special Affordable Housing Goal and, therefore, are presumed in paragraphs (e)(4)(i) through (e)(4)(iv) of this section to meet the requirements are as follows: State housing finance agencies; affordable housing loan consortia; and Federally insured credit unions that are:

(A) Members of the Federal Home Loan Bank System and meet the first-time homebuyer lending standard of the Community Support Program; or

(B) Community development financial institutions; public loan funds; or non-profit mortgage lenders. FHFA may determine that additional classes of institutions or organizations are primarily engaged in the business of financing affordable housing mortgages for purposes of this presumption, and if so, will notify the Enterprises in writing.

(viii) For purposes of paragraph (e)(4) of this section, if the seller did not originate the mortgage loans but the originator of the mortgage loans fulfills the requirements of either paragraphs (e)(4)(i) through (e)(4)(iv), paragraph (e)(4)(vi) or paragraph (e)(4)(vii) of this section, and the seller has held the loans for six months or less prior to selling the loans to the Enterprise, FHFA will consider that the seller has met the requirements of this paragraph (e)(4).

(f) *Partial credit activities.* Mortgages insured under HUD's Title I program, which includes property improvement and manufactured home loans, shall receive one-half credit toward the Special Affordable Housing Goal until such time as the Government National Mortgage Association fully implements a program to purchase and securitize Title I loans.

(g) *No credit activities.* Neither the purchase nor the securitization of mortgages associated with the refinancing of an Enterprise's existing mortgages or mortgage-backed securities portfolios shall receive credit toward the achievement of the Special Affordable Housing Goal. Refinancings that result from the wholesale exchange of mortgages between the two Enterprises shall not count toward the achievement of this goal. Refinancings

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of individual mortgages shall count toward achievement of this goal when the refinancing is an arms-length transaction that is borrower-driven and the mortgage otherwise counts toward achievement of this goal. For purposes of this paragraph (g), “mortgages or mortgage-backed securities portfolios” includes mortgages retained by Fannie Mae or Freddie Mac and mortgages utilized to back mortgage-backed securities.

§ 1282.15 General requirements.

(a) *Calculating the numerator and denominator.* Performance under each of the housing goals shall be measured using a fraction that is converted into a percentage.

(1) *The numerator.* The numerator of each fraction is the number of dwelling units financed by an Enterprise’s mortgage purchases in a particular year that count toward achievement of the housing goal.

(2) *The denominator.* The denominator of each fraction is, for all mortgages purchased, the number of dwelling units that could count toward achievement of the goal under appropriate circumstances. The denominator shall not include Enterprise transactions or activities that are not mortgages or mortgage purchases as defined by FHFA or transactions that are specifically excluded as ineligible under § 1282.16(b).

(3) *Missing data or information.* When an Enterprise lacks sufficient data or information to determine whether the purchase of a mortgage originated after 1992 counts toward achievement of a particular housing goal, that mortgage purchase shall be included in the denominator for that housing goal, except under the circumstances described in paragraphs (d) and (e)(6) of this section.

(b) *Properties with multiple dwelling units.* For the purposes of counting toward the achievement of the goals, whenever the property securing a mortgage contains more than one dwelling unit, each such dwelling unit shall be counted as a separate dwelling unit financed by a mortgage purchase.

(c) *Credit toward multiple goals.* A mortgage purchase (or dwelling unit financed by such purchase) by an Enter-

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prise in a particular year shall count toward the achievement of each housing goal for which such purchase (or dwelling unit) qualifies in that year.

(d) *Counting owner-occupied units.* (1) For purposes of counting owner-occupied units toward achievement of the Low- and Moderate-Income Housing Goal or the Special Affordable Housing Goal, mortgage purchases financing such units shall be evaluated based on the income of the mortgagors and the area median income at the time of origination of the mortgage. To determine whether mortgages may be counted under a particular family income level, *i.e.*, especially low-, very low-, low- or moderate-income, the income of the mortgagors is compared to the median income for the area at the time of the mortgage application, using the appropriate percentage factor provided under § 1282.17.

(2)(i) When the income of the mortgagor(s) is not available to determine whether an owner-occupied unit in a property securing a single-family mortgage originated after 1992 and purchased by an Enterprise counts toward achievement of the Low- and Moderate-Income Housing Goal or the Special Affordable Housing Goal, an Enterprise’s performance with respect to such unit may be evaluated using estimated affordability information in accordance with one of the following methods:

(A) Excluding from the denominator and the numerator single-family owner-occupied units located in census tracts with median incomes less than, or equal to, area median income based on the most recent decennial census, up to a maximum of one percent of the total number of single-family owner-occupied dwelling units eligible to be counted toward the respective housing goal in the current year. Mortgage purchases with missing data in excess of the maximum will be included in the denominator and excluded from the numerator;

(B) For home purchase mortgages and for refinance mortgages separately, multiplying the number of owner-occupied units with missing borrower income information in properties securing mortgages purchased by the Enterprise in each census tract by the